

# SENATE BILL No. 51

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 8-1.5-2-26.

**Synopsis:** Municipal utilities. Provides that a municipality having a municipally owned utility may not tax property to pay bonds issued for purposes related to the utility unless the property is served by the municipally owned utility.

**Effective:** July 1, 2004.

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November 21, 2003, read first time and referred to Committee on Governmental Affairs and Interstate Cooperation.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## SENATE BILL No. 51

A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 8-1.5-2-26 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 26. (a) To pay the  
3 principal and interest on bonds issued for the construction, acquisition,  
4 extension, or improvement of a municipally owned utility, the  
5 municipal legislative body may levy an annual tax of sufficient amount  
6 on all taxable property of the municipality **that is served by the**  
7 **municipally owned utility for which the bonds are issued.**

8 (b) If the legislative body:

9 (1) has contracted with a person for supplying utility services or  
10 has agreed to lease or purchase utility services; and

11 (2) has, in the contract, agreed to pay a stated rental, a stipulated  
12 purchase price, or other compensation to the person, or has issued  
13 bonds to pay for stock in the company or to purchase the plant;  
14 it may levy an annual tax for payment of the rent or other consideration  
15 or purchase price to be paid for utility services, or for the purchase  
16 price of a plant, and to pay the principal and interest on the bonds.

17 (c) The tax under this section shall be levied and collected as other

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1 municipal taxes are levied and collected, and the proceeds shall be  
2 used only for the purpose for which the tax was levied.

3 SECTION 2. [EFFECTIVE JULY 1, 2004] **Notwithstanding the**  
4 **amendment of IC 8-1.5-2-26(a) by this act, IC 8-1.5-2-26, as**  
5 **amended by this act, applies only to levies first due and payable**  
6 **after December 31, 2004. However, to the extent that this**  
7 **amendment would impair the rights of bondholders of bonds:**

8 (1) payable from levies imposed under IC 8-1.5-2-26; and

9 (2) issued before July 1, 2004;

10 IC 8-1.5-2-26 (as effective before July 1, 2004) continues to apply  
11 to levies first due and payable after December 31, 2004.

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